

State of California
BOARD OF EQUALIZATION

CIGARETTE AND TOBACCO PRODUCTS TAX REGULATIONS

Regulation 4058. APPLICATION FOR CREDIT PURCHASES.

Reference: Sections 30142 and 30167, Revenue and Taxation Code.

Every distributor desiring to purchase tax stamps or meter register settings on the deferred payment basis shall request the board to set the maximum amount of such purchases the distributor may have unpaid at any time and the amount of the required security.

The board shall set the amounts and notify the distributor by mail of the maximum amount of deferred payment purchases that the distributor may have unpaid at any time and the amount of the required security. The maximum amount of tax stamps or meter register setting purchases for which the distributor may defer payment as determined by the board shall not exceed twice the distributor's average monthly tax liability, based on the distributor's previous six months' experience, or in the case of a distributor not previously authorized to make deferred payment purchases or a distributor the character of whose business has changed substantially, the maximum amount shall not exceed twice the estimated average monthly tax liability as determined by the board.

The distributor shall provide to the board a surety bond or deposit in lieu of security in an amount equal to not less than 70 percent of the maximum amount, or more than twice the amount, of deferred payment purchases the distributor may have unpaid at any time as determined by the board.

History: Adopted September 13, 1961.

Amended January 12, 1968.

Amended October 25, 1972, effective November 30, 1972.

Amended September 26, 2001, effective February 15, 2002. Changed "bond" to "security". In second paragraph, changed "send" to "notify", changed "form BT353 showing" to "by mail of", changed "indicia" to "tax stamps or meter register settings", changed "shall be set by the board at not to exceed one and one half times" to "as determined by the board shall not exceed twice", and changed "be set at one and one halftimes" to "not exceed twice". In the third paragraph, deleted the first sentence and part of the second sentence, which addressed the form a distributor used to indicate the location where it intended to purchase stamps. Added "The distributor shall provide to the board", deleted "shall accompany the application and shall be" after "security", added "not less than" before "70 percent", replaced "total" with "maximum amount, or more than twice the amount of", and added "as determined by the board".